

T H E C A N A D I A N

personnel & industrial relations



J O U R N A L

Clauses in Collective Bargaining
Agreements That Deal With
Curtailment Of The Work
Force

by J. Massicotte

Third Quarter
July, 1956

A New Tool For General Motors People
—The Employee Performance Re-
cord

by Clarence H. Fraser

Has The Personnel Manager A Place In
The Hotel Industry

by Bryan W. Fearon

Strike Action Influenced by Mental
Images Of Each Other

by Professor Oswald Hall

Executive Development

by D. B. Watson

Importance Of Human Relations In
Industry

by Sir Miles Thomas

The Personnel Registry

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FROM : C. J. Smith

R. H. Lee (Mrs.)

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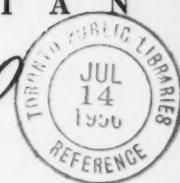
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T H E C A N A D I A N



personnel & industrial relations

J O U R N A L

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THIRD QUARTER
1956
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Editorials

Dr. Nathaniel Kantor to Address Hamilton Conference

Dr. Nathaniel Kantor of the University of Buffalo has been asked to be the dinner speaker on the evening of October 26 at the All Canada Federation-Journal Meeting in Hamilton. Dr. Kantor will be recalled for his effective address to the Toronto Personnel Association in 1952.

Present program for the Hamilton conference is as follows:

Informal get-together Thursday evening, October 25. Annual meeting of the Journal Friday morning, October 26. Buffet luncheon, but no speaker, Friday noon. Discussion of Federation Friday afternoon. Joint dinner of eastern associations with Dr. Nathaniel Kantor on Friday evening. This was designed to be a very large affair with Ontario cities which have personnel associations holding their regular meeting in conjunction with the Conference.

Saturday morning will be a clean-up session, and Saturday afternoon there will be an attendance at the football game between Hamilton Tigers and Montreal Alouettes.

Regina Group Considers Organization

A group of personnel men and women assembled for luncheon at Hotel Saskatchewan in Regina around the middle of June to meet J. Rae Perigoe, editor of the Canadian Personnel and Industrial Relations Journal, and out of the meeting came a decision on the part of the Regina people to hold a further exploratory meeting with the idea of forming an association. The meeting was called by John E. Pickering of Imperial Oil.

We hope to hear from the Regina group. We have no representation in Saskatchewan at present.

Journal Subscriptions

In order to simplify our book-keeping on the Journal subscriptions and to make it unnecessary to send out invoices for renewals during the year, we would like to adopt the policy of selling subscriptions by the current year. This means that most subscriptions expire with the October issue and should be renewed before the end of the year.

Our Advertisers

The encouraging flow of subscriptions and advertising enables us to report that the Journal is keeping its head above the water of financial difficulty. The editors appreciate the solid support given by our readers and our advertisers: the former help us, too, by patronizing the latter.

Personnel Journal Editorial

Next issue will carry a report on the Duke of Edinburgh's Human Relations Conference at Oxford written by Lloyd Hemsworth of Canadian Industries Limited, who will be in attendance.

We hope to have for our next edition from two outstanding Canadians in our field the addresses they are preparing for the Duke of Edinburgh's Conference on Human Relations at Oxford this month.

Mr. E. Lucherhand, Research Associate, Staff Training and Res. Division Aluminum Co. of Canada and Montreal, will speak on "Social Planning at Kitimat".

Farrell C. Toombs, University of Toronto psychologist, will speak on "The Contribution of the Social Scientist to Management".

AMONG OUR AUTHORS

J. Massicotte

Mr. J. Massicotte, Montreal solicitor whose article on clauses in your collective bargaining agreements dealing with the curtailment of the work force appears in this issue. Mr. Massicotte is a native of Victoriaville in the eastern townships of Quebec. He received his B.A. degree at Laval University and his Bachelor of Civil Law degree at the same university in 1940. He practised law in his home town until 1945 and then went to Columbia University where he received his M.A. in Economics in 1947.

For the next six years, after returning from New York, he was Assistant Director of Industrial Relations for the Primary Textiles Institute and in May of 1954 he returned to practice law in Montreal.

P. M. J. Gostony

Mr. Gostony, who is an Industrial Relations Supervisor in Montreal, was inspired to write his short article on geriatrics by reading a recent editorial in the Canadian Personnel and Industrial Relations Journal. He wrote his article on the subject "Is 65 Too Early An Age For Compulsory Retirement?" in the hope that his experience and the policy outlined will provide some inspiration for further thoughts on this matter.

Clarence H. Fraser

Clare Fraser, who has reviewed for us in this issue a report on a new General Motors management tool, is well known to Canadian personnel men. He is Plant Supervisor of Placement and Safety for the Bell Telephone Company in the Toronto area and has written for the Journal before.

In response to demand on the part of some "blue chip" operating executives, Clare is conducting a

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management development program on a few week ends this fall in performance analysis, organization forecasting, human and organization development, and management self development. Clare describes it as a "Concentrated group consulting service for management people in how to develop people and organizations; and in how to prepare themselves for leadership in the development of people and organizations."

Bryan W. Fearon

An honour graduate of Toronto's School of Hotel Administration at the Ryerson Institute and student of Personnel Administration particularly as it affects the hotel industry, Bryan W. Fearon now is employed by a large Toronto hotel. Born in England, he served with the R.A.F. during the last war, then spent five years at sea as a purser with a large shipping company.



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Clauses In Collective Bargaining Agreements That Deal with Curtailment of the Work Force

By Mr. J. Massicotte*

Three clauses of your collective bargaining agreement, although not directly dealing with the curtailing of the work-force, may have an important bearing on an arbitrator's decision in case of lay-offs.

First, there is your "management rights" clause. Whether or not a curtailing of work-force is necessary, and when it is to be put into force, are questions that cannot be delegated to any one else by management. Your "management rights" clause should provide, among other things, that, subject to the other provisos of your agreement as they may apply, the company has the exclusive right to determine the curtailment, or cessation, of operations and to lay employees off.

Second, your "arbitration" clause. Your agreement should specifically state that only cases which concern the interpretation, or alleged violation, of the agreement, can be taken to arbitration. This is a so-called "limited clause of arbitration". If you were to have a wide-open clause of arbitration, whereby any grievance or dispute may be taken to arbitration, you might find that your right to curtail operations and to lay off is seriously impaired by an arbitrator's decision.

Ruling Might Conflict

Third, the "powers of the arbitrator". Assuming that your lay-off clause is well written and fully pro-

tects the interest of your company, you ought to make sure, in your agreement, that the arbitrator is not authorized to make any decision inconsistent with the provisions of your agreement, nor to alter, modify or amend any part of your agreement; otherwise an arbitrator might give a ruling which would conflict with the proper functioning of your operations.

A great number of clauses in your collective bargaining agreement are closely inter-related, and the three which have just been mentioned condition, to a certain extent, the application of the particular provisions of your agreement in respect of the curtailing of the work-force. Therefore, it is most essential that the general clauses in your agreement be carefully negotiated and properly worded, because a defective clause can have far-reaching effects insofar as the decision of an arbitrator is concerned.

Seniority

We now come to the provisions of your agreement dealing specifically with the curtailing of the work-force, and such provisions usually found under the heading "Seniority". Before getting into a somewhat detailed study of the various clauses dealing with lay-offs and re-hirings, I wish to emphasize that, under a collective bargaining relationship, whatever seniority rights employees possess must be looked for and found in the collective bargaining agreement that exists between the

*Mr. Massicotte, a Montreal Barrister and Solicitor, prepared this paper originally for the Employee Relations Section of the Montreal Board of Trade.

union and the employer. These seniority rights depend wholly upon the contract. In other words, when a case is taken before an arbitrator, whatever the management has surrendered in its absolute custom-established right to lay-off and rehire, and whatever employees have gained in respect of the same matter, must be measured entirely by the contract.

Therefore, it is of the utmost importance that the rules dealing with the curtailment of the work-force and, more particularly, seniority, be clearly defined so that the arbitrator has merely to apply them to particular facts rather than to arrive at a decision based on his own pre-conceived ideas or standards. Since seniority, either straight seniority or seniority qualified by other factors, is usually the determinant factor in the event of lay-offs and re-hirings, let us consider what provisions should be included in your collective bargaining agreement if difficulties are to be minimized before an arbitrator.

First of all, the "unit of seniority" should be clearly defined. Whether you operate under company-wide, plant-wide, departmental, or occupational seniority, or a combination of these four, it should be unambiguous in your contract. I believe that the department is used more often than anything else as a unit of seniority but, even there, your agreement must define what is meant by a department.

I remember one case where a large textile mill and its union were unable, for several negotiating meetings, to agree on the proper seniority unit until they found out that they were not speaking the same language. The union representatives were asking for departmental seniority without telling the company that they were interpreting the word "department" as being a group of

similar operators; and the company was refusing the union's request because, according to its past practice and terminology, a department has a much wider scope. When the company was referring to a "department", it was actually referring to a complete plant, such as the weaving or spinning plant, or a knitting plant.

We finally solved the problem by listing in the agreement the various groups of occupational classifications which were to be the units of seniority, but you can very well imagine the kind of dilemma in which an arbitrator would have been placed if there had been a grievance.

Seniority Posting

Once the unit of seniority has been well defined in the contract, there should be, I think, a clause providing that "seniority lists" showing each employee's status shall be posted on the company's bulletin boards for a maximum period of time, let us say one month, after which each employee's seniority date shall be deemed to be correct, unless it has been disputed within thirty days following said posting.

Of course, separate seniority lists should be made for each unit of seniority and, by following this easy-to-do suggestion, lengthy discussions can be avoided before an arbitrator regarding the correct standing of an employee compared to another. You should also make certain that your contract states that an employee has seniority from date of last hiring and not from date of first hiring, and may I suggest that you watch out for this in union demands, especially while negotiating a first contract.

Your agreement should clearly state what happens to an employee's seniority when such employee is transferred — either temporarily or permanently — from one unit of

seniority to another. Here, again, a clause of that nature will prevent you from getting irritated trying to convince an arbitrator that an employee belongs to one unit of seniority rather than to another.

Protection During Lay-Offs

Let us assume, at this point, that your agreement has established through carefully negotiated and written clauses, the proper units of seniority, and the seniority standing of each employee. The job which remains to be done — and by far the most important — is to negotiate and write clauses which will protect the efficiency of your operations in the event of lay-offs due to a curtailment of the work-force.

I have had very various experiences as company representative, but there is one particular thing which I have learned in drafting collective bargaining agreements; and that is, to forget, when writing a contract, that the union representative is a nice, trustworthy person.

No matter how cordial the relationship between you, as company representative, and the union's business agent, the provisions of your contract, particularly in respect of the lay-off provisions, should be written in such a way that a change of attitude on the part of the union, or the union's business agent, cannot put your company into the position of being restricted in the discharge of its proper responsibility.

The fact that a statement, made by your union friend at the bargaining table, may have given you an erroneous impression as to the meaning of a proposed clause, is not a ground for an arbitrator to award the interpretation understood by you.

The problem of curtailing the work-force is met in your agreement by a lay-off procedure. In most agreements, seniority determines the order of lay-off; and, in many of

these agreements, the seniority principle is qualified by ability, efficiency, family status, place of residence, union membership, or some other factor.

When an agreement states that, in case of lay-offs, seniority shall prevail provided that ability and efficiency are equal or sufficient, there should be some provisions as to how ability and efficiency are to be determined, and when management does not apply straight seniority in lay-offs in order to retain a younger employee of greater ability and efficiency, it must be able to justify its decision. It is not enough for a foreman, or a superintendent, to come and appear before an arbitrator and say that, in his opinion, Mr. Jones, although junior to Mr. Smith, is a better qualified man. You may be sure that the union will present as many of Mr. Smith's friends as needed to testify to the contrary.

Specific Measure

What management needs to justify its decision is some specific way of measuring ability and efficiency, and we shall discuss this a little later on.

The least that an employer should include in his labour contract in case of seniority lay-off is that the employee who remains because of greater seniority is willing to do the work that remains to be done, and is capable of doing it at least as well as the poorest operator in the unit of seniority concerned. Whatever the wording of your agreement, if you are authorized to take ability and efficiency into account in determining the order of lay-off, you must be prepared to defend, at any time before an arbitrator, the position you have taken.

In order to be able to do this, you need facts and figures and, particularly, two things: (1) definite records or standards of accepted per-

formance on the various jobs and (2) definite information concerning the qualifications of your employee. Even if you have all necessary information regarding job standards and employees' qualifications, there is still a possibility that you may lose your case before an arbitrator, depending upon whether the arbitrator will give a narrow or a broad interpretation to the word "ability". In other words, this is the all-important question of absolute or immediate ability versus relative or remote ability.

Absolute ability means a man is able to perform a job if he can do it immediately without further training. Relative ability means that, given a few days' training, a man is capable of learning a job actually performed by a less senior employee. Unless you have a specific provision in your agreement, you will find that arbitrators tend to give a narrow interpretation of your agreement, that is, to apply the principle of absolute ability, when differences in seniority are small. When there are great differences in seniority, arbitrators are inclined to give a broad interpretation to the word "ability".

Make Contract Clear

The way to avoid an arbitrator substituting his judgment for yours in case of lay-offs is to make your intent clear in the contract.

Another point in connection with the proper wording of your lay-off procedure is to determine who shall be the judge of ability and efficiency. In some agreements, the management is the sole judge of ability and efficiency, and its decision is final. It is not satisfactory to the union and, in my opinion, it is not fair. At the other extreme are the agreements which permit "bumping", that is, the right of a senior man to displace a junior man and,

here again, this is unfair but to the management this time.

My opinion is that the determination of comparative ability and efficiency is a function of management—that management is best suited by its very function to be the judge in those matters, and that management's decision should be final unless—and I quote from a recent arbitration award—"Unless there is an allegation and proof of bad faith, bias, favouritism or discrimination on the part of the company".

Your agreement should state clearly that it is the management's exclusive function to judge ability and efficiency, subject, of course, to challenge by the union through the regular grievance procedure, if the union feels that discrimination or bad faith have taken place.

In connection with seniority in case of lay-off, there is another aspect of the procedure which may become quite a problem in times of distress. I refer to supervisors who may have to be demoted into the bargaining unit. The severe depression of the last few years in the Canadian textile industry has proved to me the necessity of making sure, in any collective bargaining agreement, that persons acting in a supervisory capacity accumulate seniority while holding such a position. It is the management's job to protect these people in the event that a prolonged lay-off makes it necessary to return them to the bargaining unit. Your clause on this particular point should make it clear that the employee who acts in a supervisory capacity not only retains his seniority but accumulates it.

Retroactive Settlement

Finally, your agreement ought to protect your company against unreasonable retroactive settlement. How? By setting, through properly-worded clauses, time limits for ini-

tiation, appeal of grievances, and the decision of the arbitrator. Disputed cases of lay-offs should be settled quickly because of the possible prejudice caused to an employee, and also because reinstatement with full compensation for time lost may be a fairly costly item if lengthy delays have taken place.

Before I finish, I would like to emphasize once more the necessity of having carefully-worded agreements if management's rights to operate its business efficiently are to be maintained. Unless management is well informed, unless management provides its negotiators with adequate supervision and counselling, it is apt to sign contracts which will not only impair the efficiency of the business, but will also create very embarrassing precedents for other companies.

Management should always keep in mind that unions have a lot of information which is not available to the management; that they are continually training their representatives on the subject of collective bargaining and that union representatives are past-masters in this difficult art of negotiating clauses of a collective bargaining agreement.

It is my suggestion to company negotiators that, when they write a clause in their labour agreement, they always keep in mind that, some day, an arbitrator may have to rule on it.

Winnipeg Executive Chosen for '56 - '57

The Personnel Association of Greater Winnipeg has appointed the following officers for 1956-57 season.

President is K. A. Smith of Eatons; Vice-President is E. W. Johns of Canada Packers; Secretary is C. Tyson of Canadian National Telegraphs; Treasurer is Miss P. Kaban of Dominion Bridge Company.

The Directors consist of past president Don W. Cameron of Great West Life; R. M. Dowling, Canada Safeway Limited; J. R. Martin, Hudson's Bay Company; E. H. Nesbitt, Imperial Oil Company; and K. Tanswell, Shea's Brewery.

Chaston Heads Toronto Group

C. P. Chaston, Shell Oil Company's Manager of Industrial Relations for Canada, has been elected President of the Personnel Association of Toronto for 1956-57.

Vice Presidents are J. V. Cuff, Central Ontario Industrial Relations Institute, and W. H. Oliver, Lever Brothers Limited.

Secretary-Treasurer is T. M. Howard, Toronto Transit Commission.

Directors are: H. Hill, Canada Packers Limited; R. Lancaster, Borden Company Limited; G. S. MacDonell, Canadian General Electric Company Limited; Miss M. M. Munro, Canadian Bank of Commerce; J. H. Perry, Brewers' Warehouse Company Limited; Dr. S. A. Saunders, Canadian National Institute for the Blind; R. A. Willson, General Foods Limited.

P. M. Draper New President Montreal Personnel Association

When Lloyd Hemsworth vacated the presidency of the Montreal Personnel Association on May 14, he was succeeded by P. M. Draper, former Chairman of the Ontario Labour Relations Board and now in industrial relations work in Montreal.

Vice-President is K. V. Keirstead; Secretary-Treasurer is L. A. Duchastel; Associate-Secretary is W. B. Brebner, and Directors are T. L. Blakeney, F. C. Burnet, O. A. Hutton, W. L. Jacobsen, and C. H. Laberge.

A New Tool for General Motors People The Employee Performance Record

Reviewed by Clare Fraser

The automotive industry is distinguished for new models. Behind the new cars and trucks are the new tools, and the men who design them, make them, use them.

In management tooling also, management people are indebted to the automotive industry. The General Motors people years ago were putting heavy emphasis on the foreman's job in personnel administration and industrial relations. Under the stimulus of the Wagner Act, when employee representation was moving into formalized collective bargaining Merle Hale of General Motors kept pointing to the danger of the foremen being short circuited.

Use of Foreman

The new tool of the Employee Performance Record produced in General Motors is evidently an outgrowth of the effort to keep the foreman in the front rank in relations with his people. It is a positive answer to the question that Prof. J. Douglas Brown of Princeton asked the personnel and industrial relations people years ago—"Are we going to work through the foreman, or around the foreman".

This Employee Performance Record and its use are well described in the Harvard Business Review, Sept. - Oct. 1955, by John C. Flanagan and Robert K. Burns.

Under this system foremen observe distinctive things their people do, and note them. Example quoted: "Had to get ladder to reach raw stock near machine. Time wasted getting and returning ladder each time."

The Performance Record is divid-

ed left and right into red and blue boxes. Entries in the blue boxes are positive instances of on-the-job performance; those in the red boxes indicate ineffective performance (as was the incident mentioned above). Physical and Mental Qualifications and Work Habits and Attitudes are the two main categories used. In each main category are eight items. These sixteen items cover the "critical job requirements" for hourly wage employees.

It is emphasized that this record of performance was designed as a tool for the foreman to use for the employee's benefit. When the foreman interviews the employee he cites the incidents he has observed and recorded, and discusses their causes and consequences. Effective performance was noted far more frequently than ineffective performance in the first year of operation. After four years experience with this method the proportion of employees turning in suggestions had increased from 10.82 to 21.92. Disciplinary warnings were cut in half. The ratio of effective to ineffective incidents had risen to 4 to 1 in the unskilled group; 8 to 1 in the semi-skilled group; and 15 to 1 in the highly skilled group.

Commonly Accepted Aims and Objectives

Evidently this process fits into that broad category of management tools used:

- (1) To provide information on what people do, and how well they do it — i.e. an information-providing tool.

- (2) Through the process of observation of "incidents"—i.e. using observation technique.
- (3) For the purpose of coaching and correction, broadly termed "development".
- (4) Used by the immediate supervisor, i.e. by someone in the position of line responsibility and authority.

In its information-providing aspect its focus is of a "process inspection" nature by contrast with "product inspection"—the picture being taken during work in process, rather than afterwards.

In the sports world it finds its parallel in the running account of the broadcaster rather than in the later commentary of the sports reviewer.

It meets most of the commonly-accepted aims of modern performance review systems, in that it

- (1) is relevant to the individual, directly
- (2) is within an easily seen frame of reference
- (3) is positive in its developmental aims
- (4) is applied by the person to whom the worker looks for direction, and help.

Introduction

Its introduction was a classic of careful thorough planning and action. Various groups participated in their several roles—the "line" people, personnel people, outside research and advisory people. Investigation, sampling, classification, trial runs, "customers" reaction, results achievements, time and cost analysis, and other elements in the effective development of management tools were brought into play. They follow the pattern of successful methods improvement through advanced industrial engineering.

As this reviewer sees it, this pro-

cедure applies the principle of "management by exception" in its focus on "specific critical behaviours". It encourages self-realization toward self-improvement, through personal leadership by the immediate supervisor.

However, it appears to have certain limitations and possible hazards, some of which the authors admit. It points to the "what" more than the "why" reminding one of the comment by Shellow "It's interesting to know that John is kicking over the traces, but it's more useful to know why he is kicking over the traces". It appears to emphasize current physical performance more than growth or potential development elements. It appears to emphasize the needs of the company for improved current performance more than the needs of the individual for growth which may lead beyond his present occupation.

The caution offered by the authors is worth repeating. They add:

"This appraisal system is more realistic and practical than any we have tried to date, but it can be no better than the understanding and support given it by top management. The program's effectiveness depends on thorough familiarity with its basic concepts by supervision at all levels, and especially at first-line supervision or foreman level. The Performance Record program will never be any better than your foremen choose to make it."

In extending the program from the Delco-Remy Division to a number of other divisions, G.M. has followed the principle that the procedure can only be effective if all groups concerned are fully aware of its advantages and limitations before it is installed. Experience indicates that the Performance Record

program is based on sound principles and is an efficient tool to add to personnel programs of employee development."

The authors claim "It is not simply a new form by *a new approach*". In its details one might agree. But football coaches for years have been using motion pictures of games, and have brought "specific critical behaviours" to the attention of players.

So have mothers and fathers and other teachers of children without the pictures and without the record on paper.

But even with these minor reservations and cautions, this reviewer feels a personal debt of gratitude to the General Motors people for this major contribution and to the reporters who have presented it so clearly and well.

How We Do It

Creating A Team Spirit Among Employees

By Frank F. Hogg

How can we create a company team spirit among all our employees? How can we help every employee feel that he is an important part of the company's total operation? How can we give every employee an understanding of the full significance of his job? These are problems common to nearly every company these days. Here is one method National Carbon Company, Division of Union Carbide Canada Limited, is using to help solve them.

It was recently decided by their management that employees of the company would welcome a brief discussion of Company history, organization, products, objective and policies. To start things off, the Sales and Advertising Departments each prepared brief, factual presentations on what their groups did in the Company and how they contributed to the Company's growth and profit. Over a five-day period, groups of employees — twenty at a time — were invited to a one-hour presentation, which included a re-

view of all of the company's many products from "Prestone" Anti-Freeze to "National" Carbon Furnace Electrodes. The sales features of each product line were clearly discussed together with information regarding the company's position in the industry, sales progress and selling problems. Employees were, of course, given an opportunity of making constructive suggestions and asking questions. It was stressed that each individual was a salesman and public relations representative for his company in his every day contacts with his friends and with the retailers from whom he made his every day purchases.

Company officials have been pleasantly surprised by two immediate results of the programme. Not only has the number of practical, constructive suggestions received from the employees increased, but also noticeable increase in enthusiasm on the part of the employee towards his job has resulted. The company plans further sessions in the future.

Has The Personnel Manager A Place In The Hotel Industry

by *Byron W. Fearon**

In the preface to a recent research report on responsible personnel practices in the hotel industry, there appeared the following words: "Successful working relations are all the more essential in the Hotel Industry where much of the success of the operation depends upon human relations — between employee and guest and between employer and employee".

Although this premise may be readily accepted by hotel men, the real use of the practical conclusions are being haphazardly applied. A number of reasons for this, some of which are peculiar to the hotel industry, are evident.

Into this area of uncertainty and of "hit or miss" personnel methods being applied today, there is appearing the first understanding concerning the need for trained and competent personnel officers.

Tenuous Position

The position of the personnel manager at present is a very tenuous one. It is certain that there are very few men engaged in the position throughout the country and most of them are not engaged as such in a full-time capacity.

In a recent survey of hotels across Canada, the writer asked a number of questions pertaining to personnel activities. The hotels covered ranged in size from 100 rooms capacity upwards to the largest of 1,000 rooms or more. The returns showed a good cross-section of the industry. Of the hotels replying, 17

per cent showed a full-time personnel manager employed. These managers are, for the most part, employed in the largest hotels, though several hotel groups with smaller houses appear to be making use of such managers. A further 17 per cent showed that they employed a personnel manager on a part-time basis, sharing this duty with another executive position. No one hotel reported a trained personnel officer, but several commented that their head office did employ one. This seems to apply to the large groups as well as to the small, and is a strong comment upon the scarcity of trained personnel officers in the industry.

A number of hotels report that they receive assistance from local hotel associations in the work of personnel administration and those who are members of local personnel associations say that further benefit is derived.

The survey, though it shows clearly a number of limitations upon the use of personnel officers in certain sections of the industry does, nevertheless, show a greater understanding of the values of management-employee relations in the proper handling of staff.

There are, then, a number of basic problems in the hotel industry which are holding back the advent of accepted personnel programmes on a scale that is being realised in other fields.

There are not more than a score of hotels throughout the country that exceed a room count of 350. For the hotels of average size, ranging in room counts of 150 to 300 rooms,

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management would engage approximately one employee for every 2 to 3 rooms, according to the type and range of service. Larger hotels with greater facilities average approximately one employee per room. From this, it may be seen that very few hotels are in a position to employ more than 300 or 400 workers. The economic feasibility of employing a personnel officer is limited.

"Unforeseeable Profits"

One of the main stumbling blocks in this path of economic feasibility is that which the hotelman pleads as a case of "unforeseeable profits". It is a matter of a lack of measurement of production. The producer of commodities can accurately price units of production, after known costs have been applied, to give a net worth. The hotelman's product is "service", an inequitable asset that depends not only on the vagaries of the local and national economic situation, but also on the temper of the relations that exist between manager and employee and between employee and guest.

Into this continued economic uncertainty is injected the need for severe operational budgeting. Those departments receiving the direct critical gaze of the guest call for first priority in financial outlay. These operating conditions create several unfortunate reactions. Broadly speaking, the critical appreciation of the public in general is affected, to the detriment of the industry.

The greatest damage has been caused to those working in the hotel field itself, especially to potential management, which relies on good prospects and social security to make a life-time business of operating hotels. The field is desperately short of young and capable people who can be termed "executive potential". This condition exists because the industry does not offer foreseeable attractions, either in

working conditions or for advancement.

Training Limited

Training programmes for hotel management, from which must come the personnel-oriented executive, are extremely limited. Toronto has the only comprehensive Hotel Administration School in Canada and not more than ten to fifteen students graduate each year. An expansion of such facilities for training would be a great stimulus to management that requires fresh and courageous approaches to the new technique being developed in other industries.

Having looked briefly at some of the most obvious problems that stand in the path of a properly organised "personnel management movement", a logical question can now be posed — what are the opportunities for personnel officers in the hotel field dependent upon?

Primarily of course, they depend upon the growth of the industry itself. The growth of new centres of population is already manifesting itself, and with the rapid strides being taken in improved communication and transportation, "service" will have to keep pace.

Since the end of the war, because of the tremendous increase in the cost of building, amongst other reasons, expansion has limited itself to the smaller class of hotel. Today, there are healthy reports from coast to coast of building plans for houses of 800 rooms and upwards. To this particular area for the present, it would seem, the personnel officer must restrict himself. For it is within this particular area that the competition created will raise new demands from the employee for changes in working conditions. It is not difficult to foresee that the strong bargaining power of the hotel employee will enforce proper personnel practices upon the employer in the future.

Even within the field of the larger hotel groups, there still appears to be a lack of appreciation for the true value of a personnel department that has clearly defined areas of authority and responsibility. No personnel manager can work effectively without a clear cut policy from his management.

Need Not Appreciated

A great many managements appear to be unaware of the value of definite personnel policy thinking and the proper expression of it to the employees. Present personnel managers often are ineffectual because they are not able to express, and in some cases do not even know, the policy of the management. In this condition they become little more than hotel officers committed to staff hiring and firing and the administration of fringe benefits. Perhaps the most important task of the personnel man, that of interpreting conditions to top-management for the formulation of new policy, does not appear to be given its proper place by hotel executives.

In the large chain-type hotel operation, with ramifications spread over a large section of the country, reasonable policy action may become dissipated through a lack of adequate communication. Furthermore, policy is interpreted and often carried through by a travelling personnel officer from the head office, thereby removing from the local personnel officer much of the responsibility for actions at the local level.

A sign of the new potential that lies within the grasp of the personnel manager is that today his very existence and success depends not only upon management support and guidance, but also largely upon the future supply and demand for skilled employees within the industry. With the increased growth of business foreseen, the resultant demand

for such workers will create a new atmosphere for labour and management in their search for new conditions of employment.

Perhaps, within this newly developing climate of management-union relations, may lie the success or failure of the personnel manager to find his full stature as an important and integral part of good hotel management. It has yet to come but it may not be too long delayed.

Profit Sharing For Small Business ✓

A new research publication designed especially for the owners of small business (less than 100 employees) has just been released by the Profit Sharing Research Foundation, 1718 Sherman Avenue, Evanston, Illinois. The publication is titled *Profit Sharing for Small Business*, and it was written by Mr. J. J. Jehring, the Director of the Foundation.

The study is based on the information which was gathered from 78 small business which have been practicing various forms of profit sharing for a number of years.

The 64-page booklet is specially designed to be helpful to the owners of small companies who would like to consider the possibilities of gaining some of the benefits, such as better employee relations, increased production, or lower employee turnover, which result from installing successful profit sharing plans. It is written in such a fashion that an employer will be able to find ready information that will help him to answer questions that occur to him at each step in planning the installation of profit sharing.

Strike Action is Influenced by Mental Images of Each Other

By Prof. Oswald Hall*

The sociological factors in strike action are closely related to the social psychology of industrial relations, which are of more lasting importance. I look upon the strike as merely an episode in a set of relationships in which employer and employee find each other.

May I start off rather brusquely by saying that industrial relations, like all other relations we have with other members of our society, depend on the sorts of images of each other we carry around in our heads; that is to say, if an employer carries around in his head an image of his workers as a set of scheming, truculent clock-watchers, this fact will influence the relations between him and them. If they have an image of him as a highly sympathetic, conscientious sort of individual, this fact, too, will influence the relations between employer and employee.

Interplay of Images

I would like you to consider the interplay of this mutual set of images that people have of each other. Therefore, I would like to present three sets of images that employers seem to me to use and then offer one set of images that I believe employees utilize in this respect.

The first image, I think, that employers have of their employees is that of the "big, happy family"; that is, the conception of everybody being in the same boat, and of being involved in the same sorts of interests. This is an image of industrial

relations as "sympathetic" relations. "We are all working together for the good of the whole, and we are all interested in harmony." In this image, employees are supposed to like their employers, and they are supposed to like their supervisors.

If employees do not like their supervisors, those supervisors should take special training courses to improve the situation. If that does not work, of course, one should hire a psychiatrist to adjust their feelings towards each other. In this image, workers are presumed to feel a deep gratitude—a kind of abiding gratitude—for the washrooms, for the cafeteria, the Christmas party, the bowling equipment, and all these other evidence of generosity on the part of the employer.

A Rude Shock

The employer who carries around with him this image of his employees gets a staggeringly rude shock the first time that his workers talk about going out on strike. This I would call a sentimental—and a rather unrealistic—image of industrial relations, although it is very widely held. It stems, in some parts, from the work of the human relations experts in the work world; but it has its counterpart in many of the house organs in the kinds of pictures of themselves that industrialists try to present to their workers through those media.

A second image, a very different one, also very widely held, is based on the old notion of the master-servant relationship. This relation has

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a kind of semi-legal character to it. The duties and the obligations of the worker are, in this case, thought of as being formulated in law or in some similar sort of code. This notion is rather widespread in my province of Quebec. It keeps company with a notion of a "just" wage and a "just" price and the notion finds expression in the efforts to establish relatively enduring codes to control workers and to control work relations.

Codified Relations

The notion has considerable currency, particularly among members of the legal profession. However, many employers, too, see their employees as individuals who should adhere to a code, which would provide a dependable stability in relations of employer and employee. Many employers, like many lawyers, find themselves very uncomfortable, or even perhaps appalled, at the notion of living in a set of relationships which are eternally fluid and changing. They prefer to hold on to this image of workers as being the kinds of individuals who adhere to, and behave, in accordance with a code.

This kind of image of the workers gives rise to what I would call a notion of industrial relations as being "codified relations", as being capable of formulation in code, whether the codes are of a legal sort or merely of a customary sort.

The third image I would like to present is that of the worker as being a member of our society who has interests of his own and who forms associations to further those interests. In our society, interest groups, and voluntary associations to further them, are part of the very structure of the society. It is as natural for the worker, then, to join a union as it is for him to join a lodge or an athletic association.

Now, since associations in our society engage in a never-ending struggle with each other, it is entirely natural that the union will, on occasion, flex its muscles and test its strength against employers or against other unions or against a political party. This image of the worker does not see him as giving his *undivided* loyalty to the union, but it sees the worker as giving his loyalties to the union *and* to the employer *and* to the other associations that he joins or that he is born into; and his loyalties may fluctuate between these to a very marked degree.

This image of the worker as being a person who joins a multiplicity of associations—and among them the union—seems to me to correspond most closely to what sociologists know about society. If we see the worker in this fashion, if this is the sort of image we have of him, then I think we have to look on industrial relations as being essentially "power" relations rather than being "sympathetic" relations or being "codified" relations of a legal, or semi-legal, sort.

Mohawk Valley Formula

May I turn from these images employers hold of employees to consider one image that employees frequently hold of the employer. I would like to quote from what is the classic statement in this respect, and that is the Mohawk Valley Formula, as set forth by the National Labour Relations Board:

1. When a strike is threatened, the employer should label the union leaders as agitators and discredit them with the public and their own followers. In the plant, he should conduct a forced balloting under the direction of foremen in an attempt to ascertain the strength of the union to make possible the misrepresentation of the strikers as a small minority, at the same time disseminate propaganda by means of

press releases, advertisements, the activities of missionaries; such propaganda falsely stating the issues so that strikers appear to be making arbitrary demands and the real issues, such as the employer's refusal to bargain collectively, are obscured. Concurrent with these moves, exert economic pressure through threats to move the plant and ally the influential members of the community into cohesive groups opposed to the strike.

2. When the strike is called, raise high the banner of law and order, thereby causing the community to mass legal and police weapons against the wholly-imagined violence, and forget that those of its members who are employees have equal rights with the other members of the community.

3. Call a mass meeting of the citizens to coordinate public sentiment against the strike, and to strengthen the power of the Citizens' Committee, which organization, thus supported, will both aid the employer in exerting pressure upon the local authorities and itself sponsor such activities.

4. Bring about the formation of a large armed police force to intimidate the strikers and exert a psychological effect upon the citizens. This force is built up by utilizing local police—state police, if necessary — vigilantes and special deputies, the deputies being chosen, if possible, from other neighbourhoods so there will be no personal relationships between them to produce sympathy for the strikers.

Impress upon them the law of unlawful assembly, inciting to riot, disorderly conduct, etc., so that, unhampered by any thought that the strikers could also possess rights, they will be ready and anxious to use their newly-appointed authority.

5. Heighten the demoralizing effect of the above measures by a

back-to-work movement operated by a puppet association of so-called "loyal employees", secretly organized with the employer. Have this association wage a publicity campaign, and coordinate such campaign with work of missionaries circulating among the strikers in visiting their homes. This back-to-work movement has these results: It causes the public to believe the strikers are in minority; the back-to-work movement also enables the employer, when the plant is later opened, to operate it with strike-breakers, if necessary, and to continue to refuse to bargain collectively with the strikers; in addition, the back-to-work movement permits the employer to keep a constant check on the strength of the union through the number of applications received from employees' ranks regarding return to work, such number being kept secret from the public and from other employees so that doubts and fears, created by such secrecy, will, in turn, induce still others to make applications.

6. When a sufficient number of applications is on hand, fix a date for the opening of the plant and, together with the Citizens' Committee, prepare for such an opening by making provision for publicity, armed police, roping off the area surrounding the plant, and securing arms and ammunitions, etc. The purpose of the opening is threefold; to see if enough employees are willing to return to work; to induce still others to return as a result of the demoralizing effect produced by the opening; and lastly, even if the manoeuvre fails, to induce a sufficient number to return to persuade the public, through pictures and news, that the opening was, nevertheless, successful.

7. Stage the opening theatrically, throwing open the gates at the propitious moment, having the em-

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ployees march into the plant in a mass group, protected by squads of armed police, so as to give the opening a dramatic and exaggerated quality and thus heighten its demoralizing effect. Along with the opening, provide spectacles, speeches, flag-raising, praise for the employees, the citizens and the local authorities so that, their vanity touched, they feel responsible for the continued success of the scheme.

8. Capitalize on the demoralization of the strikers by continuing the show of police force and the pressure of the Citizens' Committee. If necessary, turn the locality into a war-like camp through the declaration of a state of emergency; have the community barricaded from the outside world so that nothing will interfere with the successful conclusion of the formula, thereby driving home to the union leaders the futility of further efforts to hold their ranks intact.

9. Close the publicity barrage which, day by day during the entire period, has increased the demoralization work by all these measures, on the theme that the plant is in full operation, that the strikers were merely a minority attempting to interfere with the right to work, and thus inducing the public to place a moral stamp of approval upon the above measures. With this, the campaign is over and the employer has broken the strike.

Well, these images as you can see, are highly incongruous sorts of affairs. The above statement is a very vivid dramatization of the image of industrial relations as being essentially power relations.

In conclusion, I would say that the course of industrial relations for any concern will depend, in large part, on the set of images which the employer and the employee have of each other; and misleading images lead to grief.

Executive Development—

“Business Sold Because Top Men Grew Old
and there was no one to Replace them”

by D. B. Watson*

ALL OF YOU must be aware of the many complex subjects which face management today. Each of these subjects calls for a group of specialists whose job is to translate the policy of management into the every day activities of their own field. Buying, Costing, General Accounting, Transportation, Merchandising, Selling and Personnel Relations, are all the functions of experts who must have spent many years to gain the technical knowledge they are required to have if a company is to exist and progress. How then, can one man or a group of men even, supply direction and leadership to such a diversified number of experts?

People always seem to think that leadership is inherent and that either you have it or you don't. We talk about “born executives”, “born leaders”, and so on. Perhaps it is true that some very lucky persons are born with the ability to step into a position of management without previous training, but if so, there are extremely few of them around. Normally, an individual requires considerable experience and training before he can become a successful executive.

However it is true that to be a good executive a person must have certain characteristics, just as a per-

son with certain other characteristics is likely to make a poor executive. Later we will talk about the sort of training necessary to develop and supplement the required characteristics, but let us for a moment have a look at these desirable features:

1. *A desire for achievement*—The pleasure of accomplishment is a strong driving force among able executives. They must accomplish and achieve in order to be happy.
2. *An acceptance of authority*—A good executive accepts authority without resentment. He does not feel that it hampers or constrains him. He views his superiors as persons of greater training and experience whom he can consult on problems, and who issue guiding directives to him which he accepts without prejudice.
3. *Organizational Ability*—The ability to bring order out of chaos is another characteristic of successful executives. They also have the ability to take apparently isolated events or facts and see relationships that may tie items together. In short, they can organize efficiently.
4. *Decisiveness* — This does not mean that an executive must make quick and final decisions in rapid fire succession, although some do. More important is the ability to come to a decision

*Mr. Watson of J. D. Woods & Gordon Limited gave this paper before the Canadian Fruit Wholesalers Association meeting in Montreal in February.

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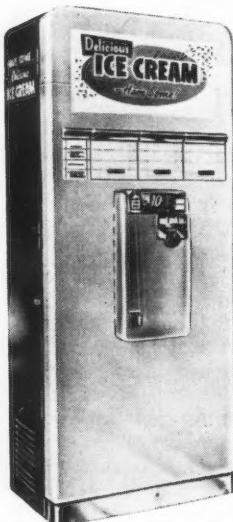
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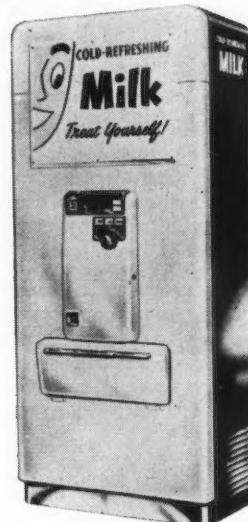
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- among several alternative courses of action, and to make the decision without delay once he has got all the information which he can reasonably expect.
5. *Firmness of Conviction*—The executive must believe in his own decisions, must be definite, and should not be easily influenced by outside pressures, although his thinking should be flexible enough to consider other ideas.
 6. *Activity and Aggression* — The successful executive must be mentally alert and active, he must attack problems aggressively, and he must look for and anticipate trouble, not wait for it to happen.
 7. *A balanced way of life* — A good executive must have outside interests and relaxations. An executive who spends all his days working, with no thought for his family and personal life is in an unbalanced situation which is likely to lead to eventual failure. The lack of relaxation, of a different atmosphere, and of different problems often leads to ill health, the inability to concentrate and a loss of perspective.
- Those are the characteristics which a successful executive should have. Now let us have a look at some of the undesirable traits.
1. *The inability to see the forest* — Executives require the ability to grasp broad problems, and understand all their implications. Many executives fail in their job because they are unable to consider all the aspects of a problem simultaneously, and thus do not realize the interlocking significance of individual factors.
 2. *Failure to accept responsibility*— At the executive-level the acceptance of responsibility and the necessity for initiative and self-control is vital. No executive should wait to be told what

to do, nor should it be necessary to check that he is doing his job. He should be a self-starter and realize that it is up to him to plan the best use of his time.

3. *The inability to lead* — However brilliant an executive may be in other ways, he will fail unless he is a good leader and can persuade people not only to do what he requires, but also to believe that his plans are the most effective.
4. *The inability to make room for other people* — Executives must cooperate with their associates and form part of a close team. Anyone who cannot accept criticism, or who gets upset at a dissenting point of view, is unlikely to succeed.
5. *Resistance to authority* — Some people dislike authority and discipline. An executive of this type is likely to fail because he is unable to accept direction and supervision without taking offence. As a result people find him difficult to work with, and eventually manage to do without him.
6. *Prejudices which interfere with judgment*—Sometimes an executive is found to be unreliable because he has a systematic personal bias which leads him always to interpret situations in terms of his own fixed idea. This often makes it difficult to discuss new ideas with him, or to approach a problem from a different angle.

Today there is a great shortage of qualified executives, and Canadian industry is on the biggest man hunt in its history. It is hunting for executives to fill the top jobs today, and to fill those that will become vacant in future years. Seldom has there been a greater opportunity for able men not only to get good jobs, but to move ahead fast. The chief

reason for this is that industry, which has just about doubled itself since the war, needs far more executives than it has had time to train.

Shortage Grows Acute

As companies continue to expand, this shortage becomes felt more and more, until we often find it to be the chief limiting factor in further expansion. Second and third-rate individuals are found today in executive positions to which they have no right, and from which sooner or later they will fall, perhaps, taking the company with them. Inept management is the cause of almost every business failure, and the development of management is probably the most important single item facing every Canadian company today.

This shortage of qualified executives is mainly due to our era of specialization. Specialization fails to equip men of executive calibre with the broad background needed for management jobs. Most of today's younger executives have remained specialists, working primarily in a limited field. Few have had the overall experience which qualifies them for promotion to the top management group. The man of today who aspires to top management must therefore learn to administer and lead, and not be content with improving his technical knowledge of one specialized subject.

Perhaps the most important skill an executive must develop, is the ability to deal with people. He must be able to understand and evaluate what they are trying to communicate to him, and he must be able to communicate his decision and policies to them in a manner which persuades them to support him as well as obey the letter of his directives.

The failure of management today are due to two main causes. These are:

- (1) The inability to understand the problems facing them. In many cases this means that they are not fully in the picture, and that they are not aware of all the factors involved in the problem. As a result, they go off half-cocked, without really understanding what they are trying to solve.
- (2) The difficulty of getting their ideas and attitudes over to those who are required to carry them out. This often leads to what seems like interference and changing of plans on the part of the executive, and results in a lack of confidence by the executive in his subordinates.

Three Basic Skills

Robert L. Katz recently stated in the Harvard Business Review that the effective administrator requires three basic personal skills:

- (a) Sufficient technical skill to accomplish the mechanics of the particular job for which he is responsible.
- (b) Sufficient human skill in working with others to be an effective group member and to build cooperative effort within the team he leads.
- (c) Sufficient conceptual skill to recognize the inter-relationships of the various factors involved in his situations, which will lead him to take that action which achieves the maximum good, for the total organization. (Perhaps at this point I should give a definition of "conceptual skill", because it is a term that is continually cropping up when the ability of an executive is being discussed. I would define it as "the skill of reaching

a decision after going through a process of comparing alternatives in the view of all known facts, and selecting the alternative which appears to be of the greatest overall benefit".

Imagination, Judgment

To the requirements laid down by Mr. Katz, which I have just mentioned I feel two more should be added. These are imagination and judgment. It is most important that an executive should be able to project facts known now, into probable facts of the future. For this he needs imagination, so that he is not bound by today's facts, and he needs judgment to know when he is going off the rails. Technical, human and conceptual skills, without imagination and judgment, cannot make an executive, and perhaps this is why some people never do become executives. Imagination and judgment are probably inherent to some degree, but these powers must be developed and guided if the maximum use is to be made of them. The best way to encourage this development is to allow an individual to make mistakes and then let him discover his error. Provided he learns from his mistakes, and makes each only once, his development will be fast, but if he is not permitted to do this, his imagination and judgment will be curbed and eventually replaced by caution and procrastination.

We must realize that the farther an individual gets up the administrative ladder, the less important become his technical or professional skills. This is not true, of course, in strictly professional organizations such as consulting engineering, legal, or accounting firms, where the top men are the elite of their particular field and where administration is of relatively minor importance. However, in the normal manufacturing or distributing com-

pany, it is a problem which many people find difficult to grasp. The problem varies in degree, according to the size of the company. In a small company the individual is exposed at a fairly early stage to the problems of management and to realizing the necessity for all activities to interlock. In large companies, however, this is not the case, and in the very largest, departments are inclined to live in water-tight boxes so that the effect of other departments on any particular one, and its effect on the others, are not apparent except at the very top level of the department. This means that an individual can reach a senior position in such a company without having to consider matters outside his own technical sphere.

Reluctance to Delegate

Another problem is that many people who start out as technical or professional experts, appear to be reluctant to delegate the technical portion of their responsibilities when they reach a position which is primarily administrative. This has the result that the administration and direction of the groups for which they are responsible get bogged down. It is because the executive insists on getting involved in the technical details of a specific problem instead of leaving it to a subordinate to study the problem and come up with recommendations. In the same article I referred to earlier, Katz points out that conceptual skill becomes the most important of all for successful administration and I would like to add to this that the successful use of conceptual skill by a top executive does not leave time for much else.

Poor Set-up Hinders

It is extremely difficult for any executive to do a good job if he is working in a poor organization.

This is becoming more and more evident today in this country, where almost every company and utility has grown tremendously in the last ten years. Unfortunately, in many cases the basic organization has been left untouched, and the expansion has been dealt with by adding more responsibilities to each executive, more departments to each division, and more people to each department, without studying whether the breadth of responsibility required can be handled by the individual persons involved. We find, therefore, that executives in these companies are required to be responsible for completely unrelated functions, that too many people report to one man, and that communications, both up and down, begin to fail.

Important Principles

For any company to operate efficiently, certain principles of organization must be followed. It is unfortunate that through expansion or the lack of planning, these principles are often ignored, and it is no coincidence that in these companies the morale is low, the turnover at all levels is high, and the quality of decisions and policy is adversely affected.

I am sure that you are all familiar with these principles. Everyone is, but I am afraid that it is a case where familiarity breeds contempt. People don't pay enough attention to these principles, because they think "that's all very well but we're different", or because "our company is too small to worry about that sort of stuff", or "we have all been in the company for a long time and can work with each other without rules".

Highly Efficient

I want to read these principles to you and as I go through them will

you please mentally apply each one to your own organization. If you can come up with a mental "yes" to each one, you are a member of a highly efficient company, and you are also in a pretty unusual situation.

Here they are then: The principles of Organization.

1. *There must be clear lines of authority running from the top to the bottom of the organization.*

It should be possible to trace a line of authority from the chief executive to every employee in the company.

2. *No one in the organization should report to more than one supervisor. Everyone in the organization should know to whom he reports and who reports to him.*

No man can work for two bosses, as a conflict of authority is almost inevitable. This situation also allows the lazy employee an opportunity to tell one boss that he is carrying out (imaginary) assignments for another boss.

3. *The responsibility and authority of each supervisor should be clearly defined in writing.*

This makes replacement and training of supervisors easier, as well as reducing the chance of responsibilities overlapping, or at the other extreme, of responsibilities not being assigned to anyone.

4. *Responsibility should always be coupled with corresponding authority.*

No one should delegate authority and then undermine it by decisions that belong to the individual who is being held responsible.

5. *The responsibility of higher authority for the acts of its subordinate is absolute.*

No one can disassociate himself from the acts of his subordinates.

6. Authority should be delegated as far down the line as possible.

This frees executives for co-ordinating and planning duties, as well as reducing the time necessary to obtain decisions. It also permits supervisors to supervise, instead of having to do a lot of detail work themselves.

7. The number of levels of authority should be kept at a minimum.

This reduces the length of time taken for information and instructions to travel up and down within the organization.

8. The work of every person in the organization should be confined as far as possible to the performance of a single leading function.

Combinations of unrelated duties often work satisfactorily as long as a particular person holds the post. If he leaves, the prospect is poor of finding another who has the identical ability to handle the widely different duties.

9. There is a limit to the number of positions that can be co-ordinated by a single executive.

This "span of control" depends on the similarity or dissimilarity of subordinate positions, the complexity of the duties attached to these positions, the extent of the distance between their locations, and the frequency with which new problems arise. Normally it is between 6 and 12 subordinates, but there are many exceptions to this, depending on the circumstances.

10. The organization should be kept as simple as possible.

Too many levels of authority hinder communications, and too many committees impede rather than achieve co-ordination.

If these principles are followed, we will then obtain the benefits of good organization, which can be summarized as follows:

- (1) Preventing conflicts between individuals over responsibility.
- (2) Preventing duplication of work.

- (3) Decreasing the likelihood of individuals cutting across lines of authority.
- (4) Making communication easier by clearly defining the channels.
- (5) Permitting expansion with adequate control and without overburdening top executives.
- (6) Increasing cooperation between departments, when each knows the function and responsibilities of the others.

All of these principles, and the benefits to be obtained by following them, seem so obvious that it is almost incredible any organization should disregard them. However, it is not unfair to say that in most companies, some or all of these principles are completely ignored. Have a look round your own sometime. For instance, are you certain that every member of the staff receives instructions from only one person, goes only to that person for a decision, and knows exactly the extent and limits of his own responsibility?

It is possible, of course, to exist without a good organization, and given the choice of a good organization or good executives, I would choose the latter. However, even first class executives will find that under a poor organization much of their time is wasted; that they become frustrated; and that a great deal more attention has to be paid to keeping their subordinates loyal and contented. Luckily, good executives will eventually force a good organization, because they cannot operate efficiently and to their own satisfaction with anything else.

Organization or Ulcers

It is true that it is possible for a company to exist without a good organization, although it is likely that most of the executives, and all the good ones, if there are any, will

have ulcers. However, it is unlikely that any management development is going to take place, because communications will be bad, policy will not be understood, and there will be little practice in building and leading a team. For adequate management development therefore, perhaps the most essential requisite is a good organization.

The next requirement is extensive delegation of responsibilities and authority.

Delegation of responsibility is most important. Without it, the executive is so cluttered up with detail, and he is so pestered for minor decisions that he is unable to do his proper job, which is to think. Some people call it dreaming and perhaps that gives a better idea of what is needed.

With delegation of responsibility must go adequate authority. Nothing is more impossible than being charged with the responsibility for a certain phase of a company's activities, and not being given the authority to carry out the responsibilities. Here again many executives fall down. They preen themselves that they delegate to the nth degree, and they hold their subordinates responsible for every failure, yet they retain the necessary authority in their own hands. It is a sign of a lack of confidence in the subordinates, and it leads, not only to inefficiency, but also to an absence of loyalty and cooperation. One sign of a good executive is that he chooses good subordinates, and then shows his confidence in them by giving them all the authority they need to carry out his policies.

Let us now look at this question of choosing subordinates and assisting them to develop into good executives. All too often a supervisor is chosen for his technical ability and experience. A person is often promoted to a higher level because he is most senior, or is the

most expert in the department at doing the technical detail work. Consider for a moment, as a simple example with which most of us are probably familiar, how would you choose the head of a group of stenographers. In nine cases out of ten, the person appointed would be the one most skilled at taking dictation, the one who typed the neatest letter, or the one who had been there the longest. How often is the ability to supervise considered, how often the characteristic of getting on well with people, and the ability to persuade others to give their utmost, rather than the base minimum? The answer to this is "very rarely", I am afraid. And higher up the scale, is a man chosen to be purchasing agent, or sales manager, because he is the most expert of his profession, or the one who can lead people, can get things done, can make decisions, and can obtain the loyalty and cooperation of his subordinates? As I have said before, we don't need technicians in executive positions, we need administrators.

Once we have chosen the right person to be a supervisor, we must develop him so that he becomes more and more competent to be promoted to higher positions. Some executives are afraid of this development of their own subordinates. They are reluctant to teach, in case the pupil replaces the master. This is I suppose, a natural fear, but only for one who is doubtful of his own ability and accomplishments, and the sooner that he is replaced the better. Therefore, any executive who does not develop his subordinates should be automatically suspected as incompetent. One of the major responsibilities of the executive is to help his subordinates to develop their administrative potentials. And the way to do this is to teach them to think — to solve their own problems instead

of coming for help, and for decisions which they should make.

The good executive has subordinates who are trained, and his time is spent in other activities beyond the confines of the immediate. His subordinates are trained to handle the immediate and routine problems. The executive has the responsibility for developing an organization that will operate without his constant supervision of functional routines, and which leaves him time to think about the future. This thinking about the future, to which I have referred earlier, is the area in which an executive can make or break a company, according to the decisions which he reaches, but unless it is done, the company will die within a short time.

Director Does Not Specialize

The job of an administrative executive may well be to supervise and direct the activities of specialists, and the higher up the scale he goes the more varied will become the technical fields he has to direct. His job then is to fuse together the ideas of his subordinate managers, and in this position there is very limited scope for him to practice some previous specialty. In fact he has to forget that he ever was a specialist, otherwise we find him dabbling in the details which, as I suggested earlier, do not leave him time to do his proper job.

In years to come it is quite likely that management will become a profession, and executives will not be experts in engineering, law or accounting, but experts in management, and yet who will still know how to manage highly specialized undertakings. It is one of the problems of today that the executive has to design and use tools and instruments which will allow him to rationalize decisions which he has to make, and yet which he is unlikely

to have to consider until he becomes an executive. Until he becomes an executive, he is primarily concerned with dealing with the problems of today. As an executive, he deals almost exclusively with the future—the cost estimates, sales potential, production forecasts, capital investments in new machinery, and so on. The design of the reports he needs to be able to do this, requires the knowledge of an art with which he is not normally familiar until he becomes an executive. If he is to be a success therefore he must think as an executive, and plan the tools he is going to need, before he is one. Thus, the sooner the specialist stops thinking only as a specialist, and begins to project his thoughts into the management area, the sooner he will become of the executive type. This will not of course pay off until he becomes an executive, but as soon as he is promoted, he will be able to produce results, instead of fumbling around for so long, as is normally the case. It will also reduce the strain, which is considerable, of learning to think as an executive, and who knows, it may be the reason that he can avoid the ulcers and nervous breakdowns which seem to be the hallmark of the executive class.

In order to reach required decisions, executives often are required to consider many complex factors influenced by other unknown factors, and they have to weigh as rationally as possible, the effects, of these factors upon future levels of supply and demand. Somewhere along the line a gamble has to be taken, it is true, but unless the decisions reached are rational, and based on all the information and advice available, the result can quite easily put a company out of business. Consider Du Pont who spent \$27 million to develop nylon, or R.C.A. who put \$50 million into the research and development of

television, before they sold a single set. A decision of this sort is not made by the production people, the sales manager, or even the comptroller. It is true that each of these would have made recommendations regarding his own technical area, but the executive who makes the decision is required to think on a company-wide basis, and to decide how a step of this nature would affect each technical section and their inter-relationships. Now it is unlikely we will be required to make a decision of the type I have quoted, but the same sort of thing is happening all the time on a different scale in every company. Decisions about the investments to be made in marketing, new products, new equipment, new buildings, additional staff, and so on, are cropping up continually. All these require a willingness to forego immediate profits in order to invest in the future, and this is not a very easy thing to do, particularly as it is still the custom in many quarters to measure the effectiveness of an executive by the immediate profits he achieves. The time lag between the investment and the hoped-for resulting profit means that executives often fall heir to profits resulting from decisions made prior to their own appointment to decision-making positions. Similarly, an executive often has to make a decision to forego profits today so that the succeeding generation of top-level executives can produce a greater profit to-morrow.

Summary

First of all, an executive is trained, not born, but there are certain characteristics which he must have if he is to be successful.

Secondly, no person can become an executive if he still thinks as a specialist, and he must learn to lead and administer.

Thirdly, he must learn how to make decisions, so that he will demand and consider all the available facts before he makes up his mind, but also that he will not delay his decisions when he has got all the information which he can reasonably expect.

Fourthly, he must be allowed to develop his imagination and judgment, so that he learns to use each properly.

Fifthly, he must exist in a good organization, so that he is not frustrated, and receives all the information necessary to understand the problems he is required to solve.

Sixthly, he must learn to delegate, to choose good subordinates, and then to put his trust in them.

And finally, the mark of an executive is that he thinks of the future. He leaves the day to day problems to his subordinates, whom he has trained to handle them, while he dreams of what is to come and what decisions he has to make today to deal with the problems he can see arising to-morrow.

Finally, I would like to leave with you the thought expressed by a man who has been active in the merger of many businesses, and in the purchase and sale of many going companies, some of them of considerable size.

He said:

"The biggest reason for mergers, the biggest reason why so many excellent businesses are for sale, is that the top men grew old and there was no one to replace them".

EMPLOYERS MUST HIRE MORE APPRENTICES

Delegates from all parts of Canada, representing industry, organized labour and provincial governments attending the sessions of the National Apprenticeship Training Advisory Committee in Ottawa ending recently, generally agreed that one of the greatest needs in the training field today was the willingness of more employers to hire apprentices.

Need for Apprentices

Lengthy discussion of apprenticeship training in the building industry was sparked by Roy H. Foss, Chairman of the Apprenticeship Committee of the Canadian Construction Association. Mr. Foss, president of the Foss Construction Company Ltd., of Montreal, felt that efforts should be made to impress upon employers the necessity of giving help to apprentice-training and to impress upon apprenticeship committees across Canada the need for more and better trained mechanics.

Mr. Foss was very much in favour of pre-employment training for young people entering apprenticeship, which he claimed had proven most effective in the ultimate development of good skilled mechanics. He claimed that pre-employment training made for better selection since the boys were counselled on entering training and got a chance to learn whether or not they were fitted for a particular trade before entering into long-term apprenticeship. It had also proven advantageous in attracting the right type

of boys into trades training, since they were able to go on the job with a considerable knowledge, and earn a better starting rate of pay than boys without such training. Employers had found pre-employment training advantageous to them also, since the boys were coming to them, not as unknown quantities, but to a certain extent 'proven products'. Mr. Foss said that employers had found that where pre-employment training had been tried that it made for better mechanics in a shorter period of training on the job.

Another guest speaker, G. C. Bernard, Manager, Ontario Division, Canadian Manufacturers' Association, felt that it was time for a new look at apprenticeship. He defined apprenticeship as the training over a period of time of young men in a particular trade or craft so that at the completion of that time, they will be able to practice that trade or craft on a basis of equality of competence and earnings, with those already engaged in the trade or craft. Mr. Bernard stated apprenticeship was generally accepted as meaning about 4,000 hours of shop and instruction in related subjects. He went on to explain that this generally-accepted formula had evolved from a pattern developed in Great Britain in the course of a century or more, with particular application to a limited number of basic trades. Mr. Bernard suggested that this formula was now, to some extent at least, both obsolete and unrealistic for new skills and occupations.

Mr. Bernard felt that industry today was in a hurry and that therefore efforts might be made to speed up training. He suggested that more institutional training might be offered to those young citizens who may have no desire to enter professions, but who had intelligence, ambition and a love for things mechanical. He thought that such young men might enter industry at the shop level after a background of two or three years of intensive training. He suggested that such training would enable them to earn immediately what they were worth and to start work as technicians in the industrial field.

Training in Industry

Considerable discussion took place on ways and means of producing skilled workers for industry. It was generally agreed that there were three methods:

- (a) through recognized apprenticeship in industry;
- (b) through trade schools and technical institutes; and
- (c) through a combination of trade school, technical institute and industry.

The delegates felt that all these methods had their advantages and could be tailored to fit various circumstances, but that all were costly.

The conference ended with all

delegates in agreement that there was a need for more apprentice-training in Canada if an adequate supply of skilled manpower was to be maintained. Many of those present felt that a much wider public interest in the need for skilled tradesmen and the value of training was necessary before sufficient numbers of skilled people would be available to meet the growing demand.

"A MATTER OF IMPORTANCE"

This film story covers in a very general way some of the basic questions which arise in the mind of the average person in considering the matter of investment. It does not attempt to *sell* any type or program. It stresses the desirability of seeking expert advice.

I have seen the film; takes about 16 minutes to run. I attended showings to two church groups and participated in a question period, which was very much a live one, indicating the interest aroused by the film.

The film may be booked (free) through the local Investment Dealers Association or Sovereign Films Distributors Ltd., Toronto. There are quite a number of copies available. The IDA would, on request, arrange for a speaker to supplement the showing.—C. H. Rankin.

SEEK INFORMATION ON PROFESSIONAL MANPOWER

Representatives from the major engineering and scientific associations, the National Conference of Canadian Universities, and interested Federal Government departments and agencies, met in Ottawa in February to discuss further development of information on Canada's resources of professional manpower. The meeting, held under the auspices of the Economics and Research Branch of the Department of Labour, was in recognition of the importance of focussing research and information on future requirements for professional manpower, on their efficient utilization, on the adequacy of training, and on sources of future supplies.

Data on Professionals

In postwar years, the Department of Labour has developed detailed sources of information on engineers, scientists and related professional groups, which has been of continuing interest to universities, students, professional organizations and employers. The discussions at the meeting were for the purpose of ensuring that the Department's program is as effective as possible in meeting the growing needs for authoritative information on professional manpower.

The meeting reviewed the existing information available on professional manpower including the records of engineers, scientists, architects and veterinarians which have been maintained in the Department of Labour since World War II. More information, it was thought, is needed on Canadian students going to universities in the

United States and their subsequent employment. These were some of the most highly-trained professional people and ones in whom Canada already had made a considerable investment and consequently their loss was particularly serious.

The Department of Labour outlined a program which is being carried on for maintaining the records of engineers, scientists and others, on a current basis. Each year, a representative sample of one-third of the professional people in the Department's records is surveyed to obtain current information on their academic and employment experience. This three-year cycle survey provides annual information on the changing characteristics of Canada's resources of engineers and scientists. The meeting reviewed the program for this survey in detail.

Outlook for Manpower

The group also discussed the outlook for professional manpower. There was general agreement that the shortage of professional people which had been in existence for many years would in all probability be a feature of the Canadian labour market for some time to come. Part of the problem arises from the scarcity of engineering and other kinds of technicians who could relieve professional workers of tasks key to their work but not necessarily best performed by them. It was felt by some of those present that many professional people were being used in only semi-professional capacities because of the shortage of tech-

nicians. It was also pointed out that many engineers in the highly technical industries have to be used as administrators because of the technical knowledge required.

It was noted that the Canadian population of university age would probably more than double during the next 20 years, and that the number of Canadians wishing to

attend university would likely increase even more by then. This would create a serious situation in Canadian universities whose facilities and teaching staff were already strained to the limit. It was felt that the public generally, and particularly professional people themselves and Canadian industry, do not clearly recognize the critical nature of this problem.

PROVINCIAL LABOUR STANDARDS

Published by Federal Government

[See] The 1955 edition of "Provincial Labour Standards", prepared by the Federal Department of Labour, is out.

This edition of the bulletin sets out the standards in effect in the provinces of Canada with respect to statutory school-leaving ages, minimum age for employment, annual vacations with pay, public holidays, maximum hours of work in mines, factories, shops and offices, minimum wage orders, equal pay and fair employment practices, weekly rest-day and workmen's compensation.

Changes Noted

The enactment of Fair Employment Practices Act in Nova Scotia and the setting of the first minimum wage rates for women in Newfoundland, and increases for Ontario women workers were among the 1955 changes noted in the bulletin. In five provinces benefits under Workmen's Compensation Acts were increased.

The Nova Scotia Fair Employment Practices Act, which went into force on January 1, 1956, forbids discrimination by employers with regard to employment and by trade

unions with regard to membership on grounds of race, national origin, colour or religion. Discriminatory application forms, advertisements and written or oral inquiries in connection with employment are prohibited by the Act. Nova Scotia is the third province to pass a Fair Employment Practices Act. Ontario and Manitoba have similar legislation.

Minimum for Women

In Newfoundland, a minimum wage rate of 35 cents an hour was set for all women workers over the age of 17, except domestic servants in private homes. Minimum-wage fixing is a comparatively recent development in Newfoundland, the first order for male workers having been made in 1953.

In Ontario, new minimum rates for women workers of \$22.00 a week in Zone I (Toronto, Hamilton, Windsor, Ottawa and environs and London); \$20.00 a week in Zone II (places of 3,000 or more population); and \$18.00 per week in Zone III (places under 3,000 population) went into effect, replacing rates of \$16.80, \$15.80 and \$13.80, respectively.

"WORKMEN'S COMPENSATION IN CANADA"

Published by Department of Labour

here
Hon. Milton F. Gregg, Minister of Labour, has announced publication of the 1955 edition of "Workmen's Compensation in Canada" which includes recent amendments to Workmen's Compensation Acts in seven provinces, New Brunswick, Quebec, Prince Edward Island, British Columbia, Saskatchewan, Manitoba and Ontario.

The bulletin, which was prepared by the Legislation Branch of the Federal Labour Department, gives a concise description of the collective liability system of workmen's compensation in effect in all ten Canadian provinces. It discusses and compares the principal features of the ten provincial workmen's compensation laws and reviews briefly other compensation legislation in Canada, including the two federal laws covering government employees and merchant seamen and the compensation ordinances of the Yukon and Northwest Territories. Major amendments to the Government Employees Compensation Act are summarized in the bulletin.

In each annual edition, legislative changes made during the year are noted in some detail and revised tables indicate the benefits payable under the Acts as amended. The occupational diseases for which compensation is payable are also set out in tabular form.

Significant changes were effected in some of the laws in 1955, notably the raising of the percentage rate of earnings taken in computing compensation from 66-2/3 to 70 in New Brunswick and from 70 to 75 in

Quebec, both effective from January 1, 1956. New Brunswick is thus brought in line with the Province of Manitoba where the percentage rate is 70. Quebec with a new percentage rate of 75 is now in line with five other provinces, Alberta, British Columbia, Ontario, Prince Edward Island and Saskatchewan. Also effective from January 1, 1956, the ceiling on annual earnings was increased in Prince Edward Island from \$2,500 to \$2,700. In British Columbia and Saskatchewan, the amount fixed as the minimum payment for total disability was raised to \$25 a week.

Shorter Waiting Time

In Quebec, the waiting period was reduced from seven to five days. Henceforth, to be eligible for compensation from the date of the accident, a worker must be disabled for five days or more.

Higher benefits in cases of fatal accidents were also provided in several provinces. In Saskatchewan, the monthly pension to a widow was raised from \$60 to \$75, as in Ontario and British Columbia. The monthly payment allowed in respect of each dependent child was increased from \$20 to \$25 in British Columbia, from \$12.50 to \$15.00 in Prince Edward Island, and, in respect of an orphan child, from \$30 to \$35 in Saskatchewan. The Manitoba and Ontario amendments widened the groups eligible for current widows' and children's pensions.

In Prince Edward Island a larger sum for the payment of funeral expenses was provided. The Quebec Workmen's Compensation Commission was given authority to pay expenses not exceeding \$150 for transporting the workman's body. The Saskatchewan Board was authorized to pay whatever necessary transportation expenses were involved, the former limit of \$100 having been removed.

The coverage of the British Columbia and New Brunswick Acts was broadened.

U.S. PUBLICATIONS

The U.S. government from time to time puts out publications in Management and Personnel. While these are prepared primarily to increase the effectiveness of Government personnel and management programs, they can be used profitably by personnel people in business.

To get a list, ask the Superintendent of Documents, Federal Government, Washington, for an order form for his Management and Personnel publications.

REVIEW OF TRAINING FOR INDUSTRY

Delegates to the twenty-third regular meeting of the Canadian Vocational Training Advisory Council in Ottawa in February, agreed there was a need for comprehensive review of trade, technical and vocational training facilities in the light of new industrial developments and techniques.

The meeting also recognized that despite a tremendous expansion of vocational school training facilities throughout Canada in the postwar years, there was a continuing growing need for further expansion of training facilities resulting from the rapid growth of Canadian industry and the increasing number of youths reaching vocational school age, as well as increased interest of youth in all provinces in such training.

The meeting, which was under the chairmanship of Dr. G. Fred McNally, former Chancellor of the University of Alberta, was attended by representatives of labour, industry, governments and educationalists from all parts of Canada.

Among the topics discussed were: the growing need for technicians, particularly in the field of electronics, vocational training and apprenticeship, and the training of physically handicapped persons for suitable employment.

Revision Required

The Council generally agreed that the systems of trade and technical training in both schools and industry required revision and expansion to keep pace with the trend towards automation. It was becoming evident that the need for intensive flexible trades courses and advanced technical courses was rapidly increasing.

After considerable discussion, the Council unanimously agreed that the time had come for an objective examination and analysis of the training needs. They felt such an examination should reveal the specific needs of industry and that these needs should be closely related to all training.

PERSONNEL MANAGEMENT SHORT COURSE REPEATED IN 1956

Senator Donald Cameron, Director of the Banff School of Fine Arts, hopes to repeat in October this year the twelve-day course given in November 1955 under the sponsorship of the Department of Extension, University of Alberta, in cooperation with the Personnel Associations of Calgary and Edmonton.

This course, the first of its kind in Western Canada, was attended by fifteen men engaged in personnel work in B.C., Alberta and Saskatchewan, representing public utilities, civic administration, meat packing, education, nickel refining, heavy construction, agriculture and the oil industry, including drilling, production and distribution.

Practice and Philosophy

Many phases of Personnel Management were dealt with, from both practical and philosophical viewpoints, under such headings as "The Work Place as a Community", "Functions and Scope of Personnel Administration", "Organization Planning", "Civilization in the Business World", combining with such exercises as Job Analysis and Description, Job Evaluation, Performance Evaluation, Recruitment and Selection and Salary and Wage Administration. The topic of Labor Relations was dealt with under such general headings as Labor Legislation, Negotiation and Arbitration Procedures.

The instructing staff was Professor Ben A. Lindberg, Director of the School of Commerce at the University of Alberta, Robert A. Willson, Director of Personnel and Public Relations for General Foods Ltd. and J. Howard Kelly, Q.C., Vice Presi-

dent and Solicitor of Burns and Co. Ltd.

BOOK REVIEW

"Strategy and Techniques in Labour Negotiations"

by

EDWARD PETERS

Published by the National Foremen's Institute

New London, Connecticut

One's first impression in picking up this book is of the unusual presentation of the material. The writer has quite deliberately gotten away from the rather dry textbook style of writing and into the "quasi-verbatim" style. In his credits it is interesting to note that he has made use of help from senior people in the Columbia Broadcasting Company and Time Magazine, which has helped to produce a rather gripping and extremely readable booklet. In fact, for those who have had some experience in collective bargaining, I predict that they will find a great deal of difficulty in putting the book down once they have started it.

The last and most impressive reaction of this reviewer is that this man has been able to express, through the use of this particular case method, as has no other writer within this reviewer's somewhat limited knowledge, a "feel" and understanding of what goes on in collective bargaining. The book is highly recommended to any and all people in the P. & I.R. field—junior or senior, novice or widely experienced.

IS 65 TOO EARLY AN AGE FOR COMPULSORY RETIREMENT?

By P. M. J. Gostony, M.C.L.

Industrial Relations Supervisor

A few months ago, the manager of one of our most complex departments bade farewell to us at the age of 70. At this time, he was in excellent physical and mental condition, performing his duties to the satisfaction of management. Presently, he is concluding a long voyage in Europe and after his return will retire to a small farm to raise bees to keep himself busy, for many long years to come.

Another veteran employee is presently in charge of an extensive training program, teaching storekeepers and clerks in sound stores practices and ledger keeping. His long experience in this field makes him an excellent person for this job. He will shortly retire at the age of 70, to join a life insurance company—one of his former employers—as a full time salesman.

We have recently celebrated the 65th anniversary of a superintendent whose department of approximately 400 employees is one of the most hectic spots in the whole plant. We hope to keep him for many other years.

The doctors and nurses of our plant hospital are quite sure that the hospital will never be as clean and orderly after retirement of the present janitor, celebrating his 70th anniversary in a few months time. As a matter of interest, this man has 16 children and 52 grand-children, according to the last reports.

All these examples prove conclusively to us that the age of 65 cannot be regarded as an absolute dead

line for retirement. Our retirement policy is therefore set up so as to afford us sufficient flexibility to take care of these and similar cases.

About 6 to 9 months before the 65th (or 60th in case of women) anniversary of an employee, the Personnel Department quietly undertakes a very thorough examination consisting of the following major steps:

- 1.—Prepare a short resume of the employee's service history including promotions, attendance record, personal data, experience, education, etc.
- 2.—Conduct a confidential investigation as to his home circumstances, such as family responsibilities, financial background, etc.
- 3.—Arrange for a thorough medical examination as to the employee's physical and mental health with particular regard to his fitness to perform his present duties without detriment to his health or his job. Where his health is not up to the required standards, we try to establish what other available suitable job he could perform.
- 4.—In consultation with immediate supervisor and associates, assess his job performance and the desirability of retaining his services for a further period.

After careful consideration of all these facts, management will decide as to the action to be taken. Where the services of an employee are extended, it is done on a year to year basis repeating the same procedure each year. Our pension plan has a

stipulation which permits the extension of services without any further contribution on the part of the employee or employer but will not pay any pensions while the employee is in active service beyond the age of 65 or 60 respectively.

Value Evident

It is evident that the value of this policy is amply demonstrated: we are able to retain knowledge and skills which are difficult to replace and to maintain satisfactory employee-employer relations by removing unnecessary fear of "old age" while a man is able and willing to work. We do not believe that this policy takes away jobs from younger people or will hinder the promotion of employees holding second line positions to any marked extent. Due to voluntary retirement, the percentage of employees to be retained after the age of 65 is relatively small. In addition, there are numerous jobs in each Plant suitable for older people which lack appeal for younger employees.

STUDY GROUPS RESUMED

The Personnel Association of Greater Winnipeg decided early this year to re-introduce study groups and five projects have been carried out during the past season.

First committee to get under way was that on Federation, under the chairmanship of Ted Johns.

The committee set up to consider the prerequisites for personnel management, under the chairmanship of Ken Tanswell, proposed the preparation of a brochure outlining the duties of personnel management, liaison with university in developing required course material, obtaining support of Chamber of Commerce and C.M.A. and undertaking career talks at schools and universities.

The committee set up to study personnel research in Winnipeg, un-

der the chairmanship of John English, developed a series of research topics and in addition has completed a review of the current provincial salary survey data.

The committee set up to study and promote a further means of education of members of the Association, under the chairmanship of Bob Dowling, received approval to proceed with their plans. Some of the suggestions included:

- 1) training programs conducted by members for other interested members, e.g. interviewing and training.
- 2) request University of Manitoba to schedule a course on Personnel Administration at Evening Institute as an extension service.
- 3) preparation of an inventory of qualifications of the members of the Association.

The committee set up to design, organize and finalize for production a supervisors' training course with a view to starting this course in October 1956, under the chairmanship of Ruth Spurway, is currently working on this project, following a polling of members' interests.

SUBSTITUTE FOR STRIKES

THE federal government, without fanfare, is sponsoring a research program aimed at finding some substitute for the strike in the labor relations field. Research work, financed by federal grants, is being done at Queen's university, the University of British Columbia and the University of Toronto. The hope is to find some formula, which would adequately protect labor and which would at the same time render the use of the economically destructive strike weapon unnecessary. It's a long-term project and no immediate developments are expected.

IMPORTANCE OF HUMAN RELATIONS IN INDUSTRY

*300 Commonwealth Men and Women Will Attend
Duke of Edinburgh's Unique Conference*

by Sir Miles Thomas*

The ancient university city of Oxford will this month become the centre of discussions on the most modern of all problems — that of human relations in industry — at a time when automation is headline news throughout the world. This second Industrial Revolution is causing as much concern as did the vast changes which began with the invention of the "spinning jenny" in 1765.

But the Oxford conference — the Duke of Edinburgh's Study Conference on the Human Problems of Industrial Communities within the Commonwealth and Empire (July 9 to 27) — was arranged long before automation loomed large on the industrial horizon. In fact, it arose out of a suggestion made in 1954, as a result of which the Duke of Edinburgh invited, in July of that year, 50 industrialists and trade unionists to meet him at Buckingham Palace for an informal discussion on the possibilities of such a conference.

Never Before Attempted

The outcome of that meeting will be an experiment on lines never before attempted. It will bring together some 300 men and women, mainly under 40 years of age, from

all parts of the Commonwealth to conduct a practical study of the human aspects of industrialisation. They will represent a cross-section of races, occupations and industries and a wide range of experience.

An important feature is that all members of the Conference are being invited as individuals: no government or organisation is being represented officially, although there has, of course, been close consultation with governments and organisations throughout the Commonwealth in making the arrangements. Nevertheless, the guiding principle in the selection of members has been to invite persons engaged in managerial, technical and operative roles of industry who hold, or are likely to hold, positions of responsibility and who have shown a lively and consistent interest in the life of their own communities.

To Oxford, then, will be going people from places as far apart as Canada and the Falkland Islands, Fiji and Malta — all with one endeavour: to discover, by means of frank discussion and personal observation, ways and means of facing up to the problems brought about by technical and economic advance, and thus perhaps help their fellow men and women to benefit from the industrial revolution that is happening in their midst.

*Sir Miles is Chairman of the Public Relations Committee of the Conference. Sir Miles, one of Britain's most distinguished industrialists, is Chairman of Monsanto Chemicals Ltd. From 1940-1947 he was Vice-Chairman and Managing Director of Morris Motors Ltd., and until recently, was Chairman of the British Overseas Airways Corporation.

For the increasing tempo of life in this modern age has made it abundantly clear that, despite sustained efforts to understand and improve human relationships in industry, a complete answer is not to be found in the factory or workshop. Efficiency, increased production and steady development must go hand-in-hand with personal satisfaction; the worker must be made to feel that he is not just a cog in the wheel, but an integral part of, and an important contributor to, his country's ultimate prosperity and well-being. Also—and this is very important—that his contribution will benefit not only himself, his employer and his community, but will also ensure greater opportunities for his children—opportunities of advancement, leisure and security such as former generations never knew.

This Study Conference is not to be merely an academic exercise: Although the discussions will take place in the cloistered calm of Oxford colleges, the Conference members will, during their stay, visit many industrial centres in Britain, where they will see not only machinery and processes, but will occupy much of their time in talking with people, at all levels, inside and outside the factory gates.

20 Study Groups

To facilitate their investigations into the working and social life of the men and women employed in Britain, the 280 members from overseas are being divided into 20 study groups, each consisting of 14 members, under a chairman from United Kingdom industry who has been specially selected for this work. The members of each group will be housed together in Oxford, and each group will carry out a tour lasting nine days, half of which will be spent in London and the other half in a provincial industrial area.

In the opening days at Oxford they will hear speakers, all of whom are engaged in practical administration, introduce some of the principal themes of the Conference, which they will at once proceed to discuss in the study groups.

Following their tours they will return to Oxford to hear papers read by distinguished oversea industrialists and for three further days of discussion, which will lead to what is likely to be the highlight of the Conference—final reports from the groups on their personal experiences, given orally by reporters chosen from each group, summarizing not only their impressions but also intergroup discussions on special subjects allocated to them.

Duke's Keen Interest

The Duke of Edinburgh's keen personal interest in industrial matters is well-known, and he is not merely lending his name to this Conference, which owes much to his inspiration. Indeed, he is himself taking an active part in it. He will deliver the Presidential Address at the opening ceremony in Oxford's Sheldonian Theatre; he will preside at the opening and closing plenary sessions and also at two dinners, one on the first day and the other on the final day of the Conference.

And he has insisted that the Conference should be one not for research workers but for people actively engaged in industry. Its value, he has emphasised, will depend on what the members make of what they see and hear, on their ability to describe their points of view and experience for the benefit of others, and their ability to distinguish what is likely to be useful in their own special cases.

"Ultimately", the Duke has written in a foreword to the Conference programme, "it is hoped that the members will be able to extend their influence in their own countries and industries to the end that

industrial enterprises are so organised that they form an integral part of a happy and healthy community."

Such is the fundamental aim of this unique experiment.

CANADIANS ATTENDING DUKE'S CONFERENCE

R. D. Archibald, Secretary & Industrial Relations Mgr., Dominion Textile Co. Limited, Montreal, Que.

J. A. Armstrong, Assistant Regional Manager, Imperial Oil Limited, Alberta.

R. Atkin, Canadian Brotherhood of Railway Employees, Alberta.

E. Benson, Asst. Personnel Manager, Consolidated Mining & Smelting Co. of Canada, Trail, B.C.

R. H. Brown, International Photo Engravers Union, Toronto, Ont.

R. Chandler, Guelph District Labour Council, Guelph, Ont.

H. E. Colnet, Barbers International Union.

F. S. Cook, United Steel Workers of America, Ontario.

W. H. Cruickshank, Assistant Vice-President, (Personnel), Bell Telephone Co. of Canada, Quebec.

J. H. Doyle, Assistant Manager, Price Brothers & Co., Quebec.

W. S. Haggett, General Manager, Bristol Aircraft (Western) Limited, Manitoba.

L. Hemsworth, Commercial Studies Manager, Development Department, Canadian Industries Limited, Montreal.

J. W. Henley, Industrial Relations Manager, Canadian Westinghouse Co. Ltd., Hamilton.

J. S. Hornibrook, Production Manager, (Nylon Division) Dupont Company of Canada Ltd., Quebec.

J. A. Huneault, Brotherhood of Maintenance Railway Employees, Ontario.

L. B. Jack, Director, Industrial Relations, B.C. Electric Company.

J. J. Kinley, Jr., Vice President & Managing Director, Lunenburg Foundry & Engineering Ltd., Lunenburg, N.S.

W. Martin, Industrial Relations Manager, Dominion Rubber Co. Limited, Ontario.

J. G. Morrison, Assistant Manager, Abitibi Power & Paper Co. Limited, Ontario.

K. J. McCleman, Oil, Chemical and Atomic Workers, British Columbia.

J. R. Philips, Vice President (Finance) Phillips Electrical Co. Limited, Ontario.

L. K. Sefton, United Steel Workers of America, Ontario.

F. B. D. Smith, International Photo Engravers Union, Ontario.

J. R. Smith, Guelph District Labour Council, Ontario.

R. W. Todgham, Executive Assistant, Chrysler Corporation of Canada Ltd., Ontario.

C. Ward, United Automobile Workers, Ontario.

J. R. Houghton, Superintendent-Engineer, in charge of Manufacturing Engineering Activities, Northern Electric Company, Montreal.

Lt. Col. G. H. Logie, Manager, Industrial Relations, Canadian Ingersoll Rand, Montreal.

J. W. McGiffin, General Manager, Canada Steamship Lines, Montreal.

J. C. McGlashan, President, McGlashan Silverware Limited, Ottawa.

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